Pre Prog

App F IX 4

1928
(Munl)

File No 67-28

Previous References
297-27 Sec I B Aug 28

Serial Nos. 5, 25-26 27
33

Later References
Mul 1-30 (17+22)

General and Revenue Secretariat

Serial Nos

Part B for Feb 1930

SUBJECT

Construction of Primary School Buildings in Bangalore City

To The Municipal Commissioner the President Bangalore City Municipal Council No. 26371 Dated the 28th Feb 1930

States that the scheme of raising a loan for the Construction of Primary School Buildings may be over till the question of New Scheme of Water supply is settled

Subhah

4

(For Disposal at a Meeting)

No C 180
of 1928-29

GENERAL AND REVENUE SECRETARIAT

Council Matter

SUBJECT

(clause xii of the schedule)

Question of constructing buildings for Municipal Primary Schools in the Bangalore City

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order

14th November 1928

Chief Secretary to Government.

First Member of Council

Second Member of Council

Third Member of Council

D2

General and Revenue Secretariat | Mul File No of 192

Serial No

Letter no C2-59 of 28-29 dt 15 9 1928 from the Mul Comm Bangalore city forwarding for sanction a scheme for construction school buildings for primary schools in the city

1) As observed by the 2nd member in his minute dt 11 7 1928, the financial calculations to discharge the loan, do not make any provision for repairs and maintenance of the buildings The Mul Council or the Chief Engineer may be asked what would be the probable cost expenditure on this for 47 buildings The type design of the buildings has not been forwarded by the Mul Council

2) The advisability of taking the loan and financial implications on this account may perhaps

NOTE—Contn Sheet

1301

App F III—2]

General and Revenue Secretariat

File No 67 of 1928

Serial No

be examined by the Fd Financial Secretariat

CK 25/9 KG

Bh Secy 27/9/28

CHIEF SECR-TARY'S
29 SEP 1928
2798
SECRETARIAT

3 circulated to Secn & Fin Asstts for favour of necessary mem recn

Neg 1/10

Sealed

21 The design of the bungs cone envelopes has not been sent by the municipal Council perhaps The Dpty & the Chief Engineer have to be consulted on the proposed type design & next as regards the financial implications, it will be seen from para 8 of the scheme formulated by the municipal Council that a sum of Rs 21,920/ per year has to be found for the sinking fund At present a sum of Rs 15144/- is being spent on rents to owners of bungs Of this sum the first charge comes to Rs about Rs 10000/- (being 2/3 of the cost of one bath) As regards the balance of Rs 6776/- required to make up the sinking fund together with the amount spent on 'rents' to owners

—Contn Sheet

General and Revenue Secretariat | File No | of 192

Serial No

buildings, the Municipal Council proposes that the Govt should bear 2/3 of this additional sum required but according to GO of the Sept 27 the Govt contribution towards expenditure on primary Edn in Bangalore city will be limited to 1/2 of the expenditure over the limit of one lakh The DPI has in another connection stated that the limit of expenditure on primary Edn in the City has now exceeded the limit of a lakh Therefore the Govt share if allowed can only be help of Rs 6776 or Rs 3388/- per annum recurring

Flag X
D 2449-57
Edn 55 26-8
dated 6/9/27

yes under existing standing orders

b As regards the proposal to have new buildings for the primary schools in the city the DPI has already furnished his remarks in Secl pa 297-B (Chap 3)

Flag R
Para 12

The additional expenditure to Govt in case of the scheme will therefore be Rs 3388/- per annum stated

WD 3/10 (Sec'y D)

WD 5/10

5-10-28

a Refer Para 3 supra

1280 & 6 10 28

H Sec'l)

WD 6/10

WD 5/10

NOTE—Contn Sheet

WD 01714—GPB—30 000—18-4 28

dl 1480

Serial No

1) The buildings will become the property of the Municipality. It is for consideration whether the Contribution for Sinking Fund can be treated as part of the expenditure for which loan is to be met from State Funds

dl K

10) dl Secy) NDR 11/10/24

11) There are several points in the scheme which require clarification before we can record any final opinion

(1) Is the loan subject to payment of Income Tax? I presume it is.

(2) Do the Bank of Ceylon expect to charge the loan at normal charges for the services

I am not sure! cy

(3) Do the Bank expect to pay interest at the 5 p.c. on the Sinking fund instalments collected with the April Date of redemption.

(4) The building scheme has other considerations on its own merits, apart from the question of the education of funds lent to the other Municipalities being shared by the Central Govt.

There is no guarantee that for 50 years the existing arrangements will continue.

The M.C. should earmark some recurring source of revenue to ~~make up the~~ make up the annual interest and Sinking fund charges, when the ~~M.C.~~ remaining income of the sanctioned rents or the rents realisable from the buildings (5)

NOTE—Contn sheet

WD 021—GPB—30 000—21 8 29

General and Revenue Secretariat

File No 67 of 1928

Serial No

DEWAN'S OFFICE
8 - NOV 1928
No 2160

(6) In addition to the interest and sinking fund charges of the loan, provision will be made for repairs and maintenance of the buildings and thereafter this expenditure will be a first charge on the net income. According to the PWD rate 1½ % on capital will be the rate maintenance charges.

An additional sum of Rs 6000 will have to be found by the Municipality.

(7) The scheme does not at first sight seem to be a financial proposition.

DEVELOPMENT BRANCH

12) SG Pranath with compl° — 15/10/28

13) Thirty — 17/10/28

14) If approved, the matter may be considered at a meeting of the

15) Secretary Member

16) Other Member

17) Dewan

18) yes 2/11

19) Chairman

20) 5-11-28

21) 6/11 — 5/11/28

6/11

OFFICE OF THE SECRETARY TO GOVERNMENT
21 OCT 1928
No 3262

4714 5/11

min. Sheet 9/11

WD 01714—GPB—30 000—16-4-28

Extract from the Proceedings of the 832nd *Meeting of the Council of His Highness the Maharaja held at Bangalore on the* 7th December 1928 *19*

44. Subject. - Clause xii of the schedule.

Question of constructing buildings for Municipal Primary Schools in the Bangalore City.

OPINION OF THE COUNCIL.

The scheme may be generally approved and the necessary details worked out by the Municipal Council.

(Signed) Mirza M Ismail,

Dewan of Mysore.

For favour of final Note,

Second Member

SEC CF T C IL
10 DEC 1928
N 4465

EXTRACT

Chief Secretary to Government

WD 1471—GPB—2 000—1-8-21

General and Revenue Secretariat | File No 67 of 1928

DEWANS OFFICE
13 DEC 1928
No 4367

Serial No

Final Note signed by the Member is placed below

Subject -

Question of constructing buildings for municipal primary schools in the Bangalore City

submitted

WD 01714—GPB—30 000—18-4-28

(8

Final Note by the Second Member of Council

Subject — Question of constructing buildings for Municipal Primary Schools in the Bangalore City

1) There are at present 47 Primary Schools in the Bangalore City controlled by the City Municipal Council Of these schools, only nine have buildings of their own and the rest are located in rented buildings which are ill-ventilated and unsuited for school purposes The city Municipal Council have therefore come forward with a scheme to raise a loan of Rs 4,00,000 for the purpose of constructing 38 school buildings in different parts of the City, the salient features of which are noted below -

(i) To raise the loan through the agency of the Bank of Mysore Ltd

(ii) The duration of the loan to be fifty years, and the loan to bear interest at 5 per cent

(iii) The annual payments to be made in the connection which will amount to Rs 21,920 as detailed in the margin* to be met by utilizing the sum of Rs 15,144 now sanctioned for rents, the balance of Rs 6,776 being paid by the Government and the Municipality in the proportion of 2/3 and 1/3 respectively

rly payment required to liquidate loan in fifty years viz , fifty stalments bearing interest at five cent per annum	Rs 1,920
terest on the loan at five per cent be paid yearly	20,000
Total	Rs 21,920

(iv) To provide for the share of the Municipality viz , Rs 2,259 from its normal revenue

2) The question was considered in Council on the 7th December 1928 when it was resolved that the scheme might be generally approved

(9

approved and the necessary details worked out by the Municipal Council The duration of the loan, the rate of interest and any other condition to be attached to the loan will have to be further considered in consultation with the Bank and the Financial Department

31) Gracious sanction is solicited to the recommendation of the Council

C S Balasundaramiyer
MEMBER OF COUNCIL

Bangalore,
12th December 1928

(10

Submitted to His Highness

32) I submit herewith a Final Note by the Second Member of Council on the subject of Question of constructing buildings for Municipal Primary - Schools in the Bangalore City for His Highness gracious approval

Mirza M Ismail

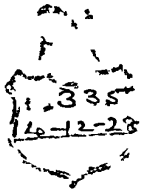
Dewan

14-12-28

(11

Record of Cases submitted for the Orders of His Highness the Maharaja

Subject



33) Question of constructing buildings for Municipal Primary Schools in Bangalore City

343

Order

34) ~~KRW~~

17/12/28

C Secy

M

18-12-28

KRW

12

C180

General and Revenue
Secretariat

SUBJECT

– Question of Constructing buildings for Municipal Primary Schools in Bangalore City

Circulated to Members of Council for perusal of His Highness orders before/after issue of orders (*Vide* Rules 31 33 and 34 of the Subsidiary Rules of the Conduct of Business of Council in the Manual of Council Rules and Procedure)

By Order

Chief Secretary to Government

Through the Secretary to Government

——— Department

3829/12 37) FIRST MEMBER OF COUNCIL 21/12/28

4777/12) SECOND MEMBER OF COUNCIL 19/12

6682/12 21) THIRD MEMBER OF COUNCIL 21/12

NOTE—Cash

Hon'ble Sec'y.

4.1

General and Revenue Secretariat

Mil File No 67 of 1928

Serial No

42) draft submitted in accordance with D of W

Ch 2/1/29

43) Ch sees) 2/1/29

CHIEF SECRETARY 3 JAN 1929

44) This draft may be issued in the form of a letter and the points mentioned in the foresays note may be brought out clearly

rec 16/1 29

45) Revised draft submitted

Ch 17/1 & 18/1

46) Man to see as revised 18/1 29

47) Typed draft & hand

21/1

CHIEF SECRETARY 23 JAN 1929

48) Sir Rees) 24/1 29

49) I have further revised the draft which may issue if agreed to by

Je 9538 23 JAN 29

50) Foresees)

51) I agree 24 JAN 29

rec 25/1 29

52) Sir

L5410 dd 22/1

Mr Pres Secretariat Bombay

Request that the scheme may be

GPB—30,000—18-4-28 and report forwarded by

NOTE—Contn Sheet & REV

Sup C 27 FEB 1929

General and Revenue Secretariat

ml File No 67 of 1928

P 1491 App F III–2 (14

Serial No

Extract from "Lokabhimani" dated the 16th September 1929 Commending the resolution of the Bangalore City Municipal Council to go in for a loan Rs 4 lakhs for the construction of suitable primary school buildings within their jurisdiction

---

53) Submitted for perusal The resolution of the Bangalore City Municipality has not been received here & will be awaited, if approved

Sd/- 26.9.29 45) [illegible] 27/9

55) Yes Sd 28/9

30 SEP 1929 REV SEC

28/9/29

25 From the President, Bangalore City Mc No 8 To 14/29-30 dt 30.9.29 With reference to the Sanction to the resolution of the Mc Cl: to issue 4000 bonds of Rs 100/- each for the construction of school buildings in Bangalore

---

50) The statement showing the financial aspect of the scheme has not been received as stated

NOTE—Contn sheet

C D D/29 / 10 D 1699 (1s-

D 2041 / 28

Serial No

DEWAN'S OFFICE, 7 - NOV 1929 No 1429

on para 2 of the paper under disposal. A draft calling for the same is submitted for approval

57) Sd/- 7/10/29

Do to the President, Baghmati Rly Sd/- 7/10/29

26 Do & the President, Baghmati Rly L 2880 dy 10 10 29

Calls for the statement of financial aspects of the - Scheme

Sus A Sd/- 18/10

27 Lom - Do - No dy To 48/29-30 dy 24-10-29

Forwards a statement showing the financial aspect in the matter of floating a loan of 4 Lakhs of rupees for the construction of Primary School Building within the city

Vide para 30 of this note

58) The details of the scheme for floating the loan may perhaps be referred to the Financial Secretariat for favour of opinion in the first instance and for order

Sd/- 1/11/29

OFFICE OF THE SECRETARY TO GOVERNMENT OF COUNCIL 5 NOV 1929 No 3577

R 1450 Dy 1/11/29

59) Sd/- 1/11/29

60) For perusal. Sd/- 1/11/29

61) Secretary to Council 63) Sd/- 1/11/29

62) Sd/- 1/11/29

64) Sd/- 1/11/29

65) Sd/- 2/11/29

Note—Contd Sheet

WD 01684—GPB—30 000—20 4 29

General and Revenue Secretariat | MC File No 67 | of 192 8

Serial No

X1450

66) My attention invited to Financial Secretary's note dated 11th Oct 1928 (page (4) / ante (11) According to the terms proposed the currency of the loan is 30 years Interest offered is 6/

67) The Bank of Mysore has offered to raise the required sum Charging 1% commission

68) For underwriting the Bank expects a Commission of ½% for which they offer to give free Service to the loan

69) The Bonds are proposed to be issued in denomination of Rs 100/

70) As regards exemption from payment of Income Tax, under the present orders ~~rule collection (I-T-2-28)~~ the income derived from Debentures issued by District Boards & Municipalities in the State which carry interest at 6% or less shall be exempt from the tax payable under I T Regulation This Order has currency upto 30th June 1930 Perhaps under this order the loan proposed to be floated may also be exempted from Income Tax

IT 2-28
File separately pertinent note IT administration

71) As regards rate of interest 6% appears to be a little high The Bank of England rate has come down to 5% A lower rate appears It would be well to offer a lower rate viz 5½%

977

72) As regards floating Fund arrangement the municipality is not in favour of

Note—Contn Sheet

D 01684—GPB—30 000—20 4 29

Serial No

~~7L1450~~

the state debt is proposed to be discharged within 20 years by equal instalments of payment with interest Kind attention is invited to para 3 of memo flagged E

73) As regards denomination of the loans are proposed to be issued in denominations of Rs 100/- To ensure success of the loan the above denominations may be altered to suit the convenience of the public as has been done in the case of State loans where bonds of Rs 12½ 25 50 & 100 only have been issued

74) As regards the terms offered by the Mysore Bank they are not liberal considering the large concessions which the Bank has been enjoying at the hands of Govt

75) Subsidiary

76) The main terms of the scheme outlined by the Hon'ble Minister are (1) exemption from interest on the debentures from income tax (2) Payment of underwriting commission to the Bank of Mysore Estimated at Rs 40000/- (3) 6% rate of interest to be offered (4) Govt should bear the charges in regard to the loan flotation and would be borne by the Govt (5) A sinking fund will be provided for the redemption of the loan (6) Annual payment of sums in interest & sinking fund amounting to Rs 13 333/ will be paid annually thereby reducing the total amount of interest payable by the Govt every year. There being no sinking fund arrangement at present

77) As regards the Nil payment there is provision in the budget estimates for the year 1930 35 & hence Govt will not suffer.

78) As regards the 2nd point, underwriting commission will be

Note—Contra Sheet

Serial No

F 11450

the face, if the work is entrusted to a Bank to regards the 3rd point since the loan is proposed to be shared by us but also, the same rate as is to be fixed for our loans may also be fixed thereafter

79) Point 5 is a necessary corollary & appears dependent upon decision thereon

80) As regards point 6 as the loan is to run for 30 years who is to pay the interest for the capital redeemed each year is a very vital point for consideration The debenture holder cannot be expected to forego interest because a part of the principal is to be paid to the Bank The arrangement is very much like the Kanta arrangement Standing amongst local moneylenders lenders seemed not averse to inclusion in a scheme of permanent debt A sinking fund is a necessity and should be established

21/11

82) As an alternative it is a matter for consideration whether the amount may not be included in the loan to be floated shortly and per contra the advance to the local body treated as a capital advance bearing interest at ½ % over & above the rate at which we are able to raise funds Our sinking fund arrangements would reach the rest of the loans and the advance to the My will be a separate incident thereto Some relation to the analogy of the Provincial Loans Fund with the Govt of India

21 11 29

Note—Contn Sheet

X1450

Serial No

83) There are several financial objections to the scheme proposed by the Bangalore City Municipal Council and I shall refer to them seriatim

84) Firstly - The proposals involve an additional recurring expenditure from the general revenues to the extent of about Rs 18 000/- per annum It is calculated in para 7 of the Education Committee Chairman's letter that the annual provision to be made for the service charges of the loan plus annual repairs and maintenance of the school buildings is about Rs 43 000/- The outlay now incurred in the shape of rent for housing the schools in privat buildings is Rs 15,684/- of which 2/3 is stated to be contributed by Government and only 1/3 is being paid by the Municipality The request now made is that out of the total provision for revenue expenditure of Rs 43 000/- Governme will have to contribute 2/3 i e Rs 28,500/- The excess over the present grant will thus be about Rs 18 000/- Whether the existing Educat budget can bear this additional liability of Rs 18,000/- is a matter for serious consideratic

85) Secondly - The Government is to guarante the discharge of principal and interest on the loan as they fall due, In fact para 4 of the Education Committee's Memorandum asks Governmer to float the loan and contribute ~~and contribut~~ 2/3 of it The rate of interest proposed is 6% free of income-tax I do not think that

WD 2343—GPB—500—12 3 29

Serial No

that this proposition can be accepted Govt are contemplating to float a combined Conversi and Cash loan of magnitude as soon as the busy season is over and the acceptance of the proposal now under discussion will greatly prejudice the prospects of the Government loan The original proposal of the Municipality was to obtain accommodation at 5% interest and und the present conditions we cannot agree to the enhancement of the rate to 6%, free of income-t

K

(6) as now regarded Thirdly - In the Government letter of 6th February 1929 it was suggested that some specific source of Municipal revenue should be earmarked for the liquidation of the loan In reply to this suggestion the Education Committ and its Chairman vaguely state that the whole of the Municipal revenues might be made the first charge for the payment of the principal and interest The point raised by Government has not been satisfactorily met It has not been stated what assured surplus there is in the annual revenues of the Municipality after providing for all its obligatory expenditure and commitments and how that surplus will be earmarked for the discharge of the loan liability The undertaking of the new Bangalore Water Supply scheme will probably entail an additional expe diture of about a lakh of rupees which has to be financed from the Municipal rates and taxes The Council has pleaded its inability to foot this bill How, in these circumstances, the Municipality can propose the appropriation of

WD 2343—GPB—500—12 3 29

Serial No

of any portion of its general funds towards this optional expenditure is not very clear to me

87) Fourthly - It is stated that the Bank of Mysore is prepared to raise the required sum charging only 1% commission But from the Manager's letter it would appear that the Bank expects a commission of 2 to 2½% which is rather heavy

88) Lastly - Unless the scheme is revised on the lines indicated in our letter of 6th February 1929 the proposals cannot in my opinion be favourably considered by Government

OFFICE OF THE SEC D M CO IL 4 DEC. 1929 No.

23 11 29

89) Second member

90) Third member

91) Dewan

28/11

92) I think the H Seer's remarks have much force The Govt may want to be sure the water supply scheme is settled

5753/13/12

C87 9/12

93) Papers -

94) (I should like to discuss some points with the H Secs)

675/68/12 53/9/12 R2050 28/11/29

95) To the secretariat Committee

Note—Contn sheet

Serial No

96) Discussed with Finl Secy

97) I agree that the loan scheme as now sent up for the Mill Cls is not satisfactory & must in any case be over-ruled by the question of the water supply settled

98) Meantime the accommodation for primary schools in B area is very deplorable, and I think the Mill & the Dept of Edn should cooperate in a programme of construction for primary schools to be met from current revenue. I think if a sum of B 30,000 is spent every year, the Mill will have to find B 15,000 & the Dept will have to meet B 15,000. The Mill might be advised to prepare a scheme & submit it to Govt for consideration by the Dept for the necessary additional funds in the budget

3376/31/1

Sd 31/1/30

99) Secretary Revenue

100) Decision

Sd 31/1.

5888/3/2

101) Secy 4/2/30

102) Sd 5-2-30

103) Sd 1/2

Note -Contn Sheet

WD 066—GPB—80 000—26 7-29

DEWAN'S OFFICE
6 FEB 1930
No 3396

D 204

(21

App F III—2]

General and Revenue Secretariat — File No 67 of 1928

Serial No

CHIEF SECRETARY
10 FEB. 1930

104) Draft subd
Ch Secy) 7/2/30 7/2

Secd Member
Mr. Dewey

NW 15/2

6378/29

HM 19/2/30 CA 19/2

CSK 22/2/30

NW 24/2

Dom

WD 27/2

33 To The Secretary Bangalore City
thro the President Bangalore City Memo
no L6376 Dated the 28th Feb 30
States that the scheme of raising
a loan for the Construction of
Primary School Buildings may
be over till the question of New
Scheme of Water Supply is settled
& suggests a programme for
spending Rs 30000/ every year

To The Director of Public Instruction
no L6377 & 28 2 30
Forwarding Copy of the above -

NOTE—Contn sheet

WD 066—GPB—30 000—26 7 29

(22

28(

to C2-59 of 28/29
Encls three only

CITY MUNICIPAL OFFICE

Bangalore City Dated 14th Sept 1928
15

From J V Mascarenhas, Esq, M B , C M , D P H , D T M ,
~~EXMACMIAXESQXIXXX~~
Offg Municipal Commissioner City Municipality
BANGALORE CITY

To
M Madhava Rao, Esq, B A , B L ,
Chief Secretary to the Government of
His Highness the Maharaja of Mysore,
B a n g a l o r e

CHIEF 18 SEP 1928

Sir,

I have the honour to state that there are 47 Primary Schools under the control of the Bangalore City Municipality Of these 47, only 9 schools have buildings of their own, while the remaining 38 are - located in rented buildings which are ill-ventilated and unsuited for school purposes It is therefore proposed to raise a loan of Rs 4,00,000/- for the - construction of 38 school buildings in different - parts of the City A scheme for constructing school buildings

* (Copy enclosed)

(23

M e m o

Draft scheme for constructing school buildings for the Primary Schools in the City of Bangalore, prepared by the Municipal President, Bangalore City

---

There are 47 Primary Schools in charge of the Bangalore City Municipal Council Of these 9 are located in Municipal or Government buildings and 38 in rented buildings, the majority of which are ill suited for schools The annual rent sanctioned for these schools amounts xxx to ---- I5,I44/- as per details furnished below ---

Kannada boys Schools	I6	@ 670 a month	=	8,040	per year
Do girls "	II	435 "	=	5,220	
Hindustani boys "	4	35 "	=	420	"
Do girls "	7	= I22	=	I,464	"
Total	3[illegible]	= I,262 X I2	or =	I5,I44	

2 The proposal is to provide buildings of a cheap standardized design for all the 3[illegible] Schools as per sketch attached hereto so as to accomodate on an average 200 -- students

3 The amount required for putting up 3[illegible] buildings is estimated to cost = 2,65,000/- at the rate of 7,0[illegible] per building

4 For putting up the 3[illegible] buildings there are immediately available I3 sites belonging to the Municipality, while 25 sites will have to be secured by acquiring private properties A sum of I,00,000/- may be required for the cost of acquisition at the rate of 4,000/- per site on an average

5 It is proposed to allot a further sum of + to meet additional expenditure and establishment charges In case if the proposed scheme is sanctioned, a small [illegible]

(24

establishment h s to be entrusted with the work of acquisition of properties and supervising construction work Efforts will have to be made to complete the construction of 38 buildin s in the course of one year

6 The total amount that may be thus required for carrying out the suggested scheme as shown above will be Rs 4,00,000/- (four lakhs)

Ways and Means

7 It is proposed to raise a public loan of Rs 4,00,000/- through the agency of the Bank of Mysore, Ltd the duration of which will be 50 years at an interest of Rs 5 / Repayment will be by means of a sinking fund maintained with the Bank of Mysore The following table furnishes particulars of the annual payments to be made in this connection --

The yearly payment required to liquidate a loan of Rs 4,00,000/- in 50 years, viz , 50 instalments bearing interest at 5 , per annum would be	I,920-0-0
Interest on the loan at 5 % to be paid yearly	Rs 20,000-0-0
T o t a l	₹I,920-0-0

8 Towards this annual demand, the sum of Rs I5 I44/- now sanctioned for rents may be adjusted The balance of Rs 6,776/- is to be paid by the Government and the Municipality in the proportion of 2/3 and I/3 respectively The share of the Municipality Viz , Rs 2,259/- could easily be provided for in the Municipal budget out of its normal revenue

Bangalore,)
I2th Mar 28)

Municipal President

(25

Extract from the proceedings of the Special meeting of the Municipal Education Committee, held on 30th June 1928 at 5 P M

****

1 To consider the memo of the President of the Municipal Council regarding the raising of a loan of 4 lakhs of Rupees for the construction of Primary School buildings in Bangalore City

Resolution - Resolved that the Council be requested to raise a loan of Four Lakhs of Rupees for the speedy construct or of Municipal Primary Schools

Sd C B Rama Rao,
CHAIRMAN

"Copy
For Municipal Commissioner

+DRR

(26

Proceedings of an adjourned meeting of the City Municipal Council Bangalore, held on Wednesday the 22nd August 1928 at 4 P M in the Council Chamber

---

Present.

Khan Bahadur Mohamed Abbas Khan, President.

Councillors.

1 Mr B D Naidu,
2 Mr M H Hanumanthappa,
3 Mr S N M Razvi,
4 Mr G Siddaveerappa,
5 Mr M C Chicknanjundappa,
6 Mr D Gopalakrishna Rao,
7 Mr C P Narasinga Rao B A ,B L ,
8 Mr S Venkataranganayar,
9 Mr V Vajapey,
10 Mr J R Isaac,B A ,M B E ,
11 Mr D S Govinda Rao,
12 Capt Y V Ayya,
13 Mr Syed Abdul Khader,
14 Mr D Venkataramanappa

Absent

1 Mr Pelur Srinivasiengar,B A ,B L ,
2. Mr P Subbarama Chetty,
3 Rao Saheb K Nettakallappa,
4 Mr B F Garudachar,
5 Mr Hoskote Bhadrappa,
6 Mr J Muniswamy,
7 Mr C H Hutchappa,
8 Rao Bahadur Dr C B Rama Rao,M
9 Mr A Madhaviengar,B A ,
10 Mr N Balakrishnaiya,B A ,LL B
11 Mr J Royan,
12 Mr B Kempanna,
13 Mr Chickmunisamisa
14 Mr S Narayana Rao

Vacant. 1

42 To consider the resolution of the Municipal Education Committee dated 30th June 1928, approving the scheme proposed by the Municipal President to raise a loan of four lakhs of rupees for the construction of buildings for Municipal Primary Schools

Resolution - Resolved that the scheme be approved and submitted to Government for sanction

Carried unanimously

Sd Mohamed Abbas Khan,
President

*****

"Copy

M Govinda Rao

For Municipal Commissioner

DRR

D 1498

(27)

Publicity Office

Abstract of Newspaper Intellegence

Dated the 19th September 1929

Extract from Lokahithaishi dated the 16th September 1929

x x x

Bangalore City Municipal Schools	Commends the resolution of the Bangalore City Municipal Council to go for a loan of Rs 4/- lakhs for constructing suitable primary school buildings within their jurisdiction

L S 410 of 72/29
M 67-28-5

M. 67 - 28

(28

To

The President,

City Municipal Council, Bangalore.

Sir,

I am directed to invite reference to your letter No C 2-59 of 28-29 dated the 15th September 1928 forwarding for the sanction of Government a scheme for the construction of school buildings in different parts of the City by raising a loan of ~~Rs~~ Rs 4 lakhs I am to state that Government are generally in favour of the Municipal Council adopting a systematic programme for the construction of school buildings and have no objection to the Council raising a loan for this purpose But the following ~~parts~~ route have to be considered before Government can pass final orders in the matter

2 It is stated that the loan will bear interest at the rate of 5 per cent and will be repayable in 50 years The Municipal Council expect to be able to raise the loan through the agency of the Bank of Mysore and to liquidate it by means of a sinking fund bearing interest at 5 per cent per annum

With regard to this part of the proposal, I am desired to ascertain whether the Bank of Mysore is prepared to raise the loan for the Municipal Council on the terms proposed without charging for the services

P T O

(29

and whether the Bank is agreeable to pay interest at 5 per cent on the sinking fund instalments to be lodged with it, till the date of redemption In this connection I am also to point out that the loan, if any raised, will be subject to income-tax

3 In calculating the financial results of the scheme, it has been assumed that it will be sufficient if provision is made for interest and sinking fund charges It has however to be pointed out that the cost of repairs and maintenance of the buildings ~~is~~ for also to be provided for At the usual rate of $1\frac{1}{2}$ per cent on the capital, this will amount to Rs 6,000/- for which separate provision will be necessary

4 Considering the long duration of the loan, it might be necessary to ear-mark some specific sources of municipal revenue for its liquidation. I am to request that the scheme may be examined in the light of the above observations and detailed proposals sent to Government at an early date

I have etc ,

Chief Secretary to Govt

B K M

/30

No Cy To 4/29-30
Enc two

CITY MUNICIPAL OFFICE
Bangalore City Dated 30th Septr 1929

FROM

C MACHIA Esq, B A
PRESIDENT
CITY MUNICIPALITY
BANGALORE CITY

GEN & REV S
1699
4 OCT
L S G BRANCH
Rel 67-28
25

To

B Narayaraswami Iyengar, Esq, B A, B L,
General Secretary to the Government of
His Highness the Maharaja of Mysore,
BANGALORE CITY

Sir,

With reference to your letter No L 5410/Ml-67-28-5 dated 7th February 1929 requesting certain additional information in the matter of floating a loan of Rs 4 lakhs for the construction of school buildings for the Primary Education in the City under the charge of the Municipality, I have the honour to state that the subject was placed before the Municipal Council with the observations of Government for their decision The Council in their meeting dated 2nd March 1929 referred it to the Education Committee for examining the scheme in detail and submit their recommendation

The Chairman of the Education Committee went carefully into the question and after consulting the Manager of the Mysore Bank and taking his views (regarding the loan to be required for the purpose) placed it before the Committee who accorded their approval and sent it up to Municipal Council for sanction The scheme was further scrutinised in this office and the financial aspects of it are given in the statement annexed. The Council considered the question carefully with all the particulars before them and sanctioned the adoption of it in their resolution dated 14th September 1929

A copy of the said resolution together with

copies

copies of the marginally noted references is herewith submitted for obtaining sanction of Government for - taking up the scheme on hand at an early date

* 1 Letter dated 4-5-29 from the Manager, Bank of Mysore

2 Letter No A S T 28 dated 16-7-29 from the - Chairman, Education Committee

I have the honour to be,

Sir,

Your most obedient servant,

PRESIDENT

(52

Letter No S T 28 dated 16th July 1929 from the Chairman, Municipal Education Committee, to the President, City Municipal Council, Bangalore

---

With reference to your letter No C 1-760 dated 24-6-29 I have the honour to state that a reply to the Chief Secretary to Government to his letter No L 5410/M1 67-28-5 dated 6th February 1929 may be sent as follows

1 That the Education Committee are thankful to Government for the approval of the scheme to raise a loan of Rs 4 lakhs for the construction of Municipal Schools

2 It is agreed that the period which the loan is to cover should be 30 and - not 50years

(a) That the whole of the 4 lakhs need not be drawn in one lump, but at the rate of one lakh a year This will reduce the rate of interest to be paid considerably

X (b) The Bank of Mysore is prepared to raise the required sum charging of 1% commission

X (c) The Government must be requested to exempt this loan from the Income-tax or to be pleased to grant a subvention to the extent of the income-tax

3 It is agreed that the cost of repairs and maintenance charges should be borne by the Municipality and that Rs 6,000/- or whatever is due which will be less accordingly to the lay out should be provided for in the budget

4 That the provision of a sinking fund does not work well as evidenced by our recent experience in the Municipality

The whole of the Municipal revenues are treated as one item In practice appropreation from one head to another is being freely made use of. As against this expenditure the rent of Rs 15,684/- per annum now paid by the Municipal Council for the private buildings used for schools will be saved

33)

5 Instead of a sinking fund the Committee propose that there should be annual drawings to the extent of 1/30 of the total value of the loan

6 The loan itself may be in 4,000 bonds of Rs100/- each, which may be collected in instalments as the schoo buildings progress

7 The maximum amount to be reserved for the payment of the Principal will be Rs 13,000/-
" Interest 24,000/-
for repairs and Maintenance 6,000/-
Total Rs 43,000/-

Out of this Government contribution will be 2/3 and every year the liability will be reduced both in principal and interest by the annual payments

8 The Committee therefore recommends that as a security for the loan the payment of principal and interest may be made the first charge on the Municipal revenues

---

"Copy"

for President

(34

Letter dated 4-5-1929 from the Manager, Bank of Mysore, to the Chairman, Education Committee, Bangalore

---

Dear Dr Rama Rao,

With reference to your call the other day in the matter of a loan of Rs 4 lacs proposed to be raised by the Bangalore City Municipality for the construction of School Buildings in the City, I beg to state as follows -

(1) I do not think that it will be possible for the Municipality to obtain the money required by them at anything less than 6 per cent, especially as the loan will be liable to income-tax All the indications point to the fact that money is going to be dear for the next 6 months at least as there seems to be little chance of the Bank of England rate coming down this year from its present rate of 5½% and money promises to be dear and scarce in India

(2) I am of the opinion that the proposed loan should not be for a longer period than 30 years

(3) I would suggest that the loan be redeemed by annual drawings to that the whole amount be wiped out by equal amounts annually If this suggestion is adopted there is no question of the rate of interest that would be paid on the instalments to be put aside towards redemption account

(4) A portion or the whole of the revenue from stated rates such as water or other services should be definitely ear-marked for the payment of interest and redemption of the Debentures drawn at each annual drawing

(5) In addition to the amount ear-marked for interest and redemption of debentures drawn, a suitable sum should be set aside annually for repairs and maintenance of buildings

(6) Government should guarantee the loan in addition to the ear-marking of Municipal Revenues above referred to

(7) As regards the under-writing of the issue by this Bank, we would expect a commission of ½ to 2½% for

for which he would of course give free service to the loan

(8) From the foregoing it will be seen that I would prefe a Debenture issue rather than the issue of a loan

(9) I have presumed that the system of arnual drawings will be adopted and that the appointment of Trustees for the Debenture-holders will not be necessary but if it is decided to have Trustees these should not be less than 3 in number and might be 5

The letter addressed by the Chief Secretary to Government to the President of the City Municipality is returned herewith

---

"COPY"

for PRESIDENT

(36...

Section Rel
File No 67-28
Serial No 26
No L2880

Diary No of letter replied to 1699

General and Revenue Secretariat
( )
the *192*

Date of issue 10/10/29

Signed by Mr R.K.S. Iyer

List of enclosures

Copied by

Examined by

To The President,
Bangalore City Municipal Council

Sir,

I am directed to state that the statement showing the financial aspects in the matter of floating a loan of 4 lakhs of Rupees for the Construction of primary school buildings in the City has been received in this Office

over

WD063—GPB—20 000—1 8 29

station to have your answer to
~~this~~ your letter No
T-O 14/29-30 & 30-9-29
being not yet received
& to request that
the same may be
forwarded to this
Office ~~without~~ & very
early

I have etc;

[illegible] Esq. to Govt

[illegible]
29

No G To 48/27 30 Que two

CITY MUNICIPAL OFFICE (38

Bangalore City Dated 24th October 1929

GEN & REV SECTT 2024 29 OCT 1929

FROM

C MACHIA ESQ, B A,
PRESIDENT CITY MUNICIPALITY
BANGALORE CITY

Mc 67-28 Rev-27

To

B Narayanaswamy Iyengar, Esq, B A, B L,
General Secretary to the Government of
His Highness the Maharaja of Mysore,
Bangalore

Sir,

With reference to your letter No L 2880/M1 67 28-26 dated 10th October 1929, I have the honour to forward herewith the statement showing the financial aspect in the matter of floating a loan of 4 lakhs of rupees for the construction of Primary School Buildings within the City

I have the honor to be,
Sir,
Your most obedient servant,
C Machia
President

S/o A Narasinga Rao

Stated to have been annexed to
~~Office~~ your letter No
?-T-O 14/29-30 & 30-9 29
was not received
& to request that
the same may be
forwarded to this
Office ~~without~~ & very
early

I have etc;

[illegible]
for Genl Secy to Govt

No G To 48/29 30 Rev two

CITY MUNICIPAL OFFICE 38

Bangalore City Dated 24th October 1929

GEN & REV SECTT 2024 29 OCT 1929

FROM

C MACHIA ESQ, B A,
PRESIDENT CITY MUNICIPALITY
BANGALORE CITY

L S D ML 67-28 Rev-27

To

B Narayanaswamy Iyengar, Esq, B A, B L,
General Secretary to the Government of
His Highness the Maharaja of Mysore,
Bangalore

Sir,

With reference to your letter No L 2880/Ml 67 28-26 dated 10th October 1929, I have the honour to forward herewith the statement showing the financial aspect in the matter of floating a loan of 4 lakhs of rupees for the construction of Primary School Buildings within the City

I have the honor to be,
Sir,
Your most obedient servant,
Chaelu
President

(39

Office of the City Municipality

Bangalore, dated the 31st July 1929

Memo

The Education Committee has resolved that a loan of 4 lakhs of rupees for constructing suitable buildings for locating Primary Schools within the City be raised and has forwarded a scheme for raising this loan and liquidating it in course of 30 years After carefully going through it, it strikes me that certain further details are required to be worked out in order to understand the position correctly In this memo, some important points are pointed out for consideration by the Councillors The memo of the Education Committee is also under circulation

2 It is proposed that a loan of Rs 4,00,000 be floated through the Bank of Mysore at 6% interest, free of income-tax and that 1% commission be paid for underwriting and the whole debt discharged within 30 years by equal instalment payment with interest According to this for the 1st year Rs 24 000 will have to be paid towards interest and Rs 13 333 towards Principal, plus Rs 4 000 -- being the underwriting charges During the second year, the principal after deducting Rs 13 333 would be Rs 3,86,667 and interest on this would work out to Rs 23 200 and by paying Rs 13 333, the principal will be reduced to Rs 3,73,334 and so on A forecast of this aspect for every year is roughly given in the statement appended

3 It may be pointed out that about Rs 16 000 is paid annually towards rent to the school buildings which are wholly unsuited for the purpose Out of this 2/3 is contributed by Government and 1/3 is being paid by the Municipality The result of floating a loan for putting up the required buildings would, in course of time, reduce the contribution by Government as well as that by the Municipality year after year and after 30 years it would be nil

4 In making the refererce to Government they may be requested to kindly float a loan and that the Government may be pleased to contribute 2/3 and the Municipality 1/3 towards the loan required and that the Municipality would give a lien on their reverues towards liquidation of their portion of the loan

Sd/- A Narasimha Rao
for President

Section ml
File No 67-28
Serial No 33
No L 6376

ary No of letter replied to 2044

General and Revenue Secretariat
( )
the *192*

Date of issue 28-2-30

Signed by Guru T K S Iyer

To
The Municipal
Commissioner
Thro the President
Bangalore City ml

Sir, With reference t
Correspondence endin
with your letter No. G
48/29-30 of the 24th o
1929 forwarding the
Statement showing
financial aspect of the
proposal to
~~matter of floating a~~
~~loan of 4 lakhs of rupe~~
~~for the~~ Corporation
Primary School Buildi

over

List of enclosures

Copied by

Examined by

WD 068—GPB—20 000—1 8 29

(41

by means of a loan
~~before the Cncl~~ I am
directed to state that
this loan scheme ~~is~~ has to
lie over till the question
of New Scheme of Water
Supply is settled

2) In the meantime, the
Municipal Council and
the Education Department may
~~have~~ Co-operate on a
programme of Construction
Primary School buildings
out of current revenues
If a sum of Rs 30000/=
is spread every year, the
Mcl will have to pay
a sum of Rs 15,000/=, the
balance being met by the
Edn Dept I am therefore
to request you to prepare
& work out this scheme, on the lines
subject ~~of course~~ to the Edn
Department being able
to provide the necessary
add-funds in the budget

I have etc

Chief Secy to Govt

Copy to D? I Publ Works
Director of Education